

The payment of the tax attributable to the remainder interest was postponed under the provisions of section 6163(a). The maximum credit allowable for State death taxes under the provisions of section 2011 is \$12,000. Therefore, of the maximum credit allowable, \$4,000 is attributable to the remainder interest and \$8,000 is attributable to the other property. Within the 4-year period provided for in section 2011, inheritance tax in the amount of \$9,000 was paid to State X in connection with the other property. With respect to this \$9,000, \$8,000 (the maximum amount allowable) is allowed as a credit against the Federal estate tax attributable to the other property, and \$1,000 is allowed as a credit against the postponed tax. The life estate or other precedent interest expired after July 4, 1958. After the expiration of the 4-year period but before the expiration of the period of postponement elected under section 6163(a) and of the period of extension granted under section 6163(b) for payment of the tax, inheritance tax in the amount of \$5,000 was paid to State Y in connection with the remainder interest. As the maximum credit allowable with respect to the remainder interest is \$4,000 and \$1,000 has already been allowed as a credit, an additional \$3,000 will be credited against the Federal estate tax attributable to the remainder interest. It should be noted that if the life estate or other precedent interest had expired after the expiration of the 4-year period but before July 5, 1958, the same result would be reached only if the inheritance tax had been paid to State Y before the expiration of 60 days after the termination of the life estate or other precedent interest.

Example (2). The facts are the same as in example (1), except that within the 4-year period inheritance tax in the amount of \$2,500 was paid to State Y with respect to the remainder interest and inheritance tax in the amount of \$7,500 was paid to State X with respect to the other property. The amount of \$8,000 is allowed as a credit against the Federal estate tax attributable to the other property and the amount of \$2,000 is allowed as a credit against the postponed tax. The life estate or other precedent interest expired after July 4, 1958. After the expiration of the 4-year period but before the expiration of the period of postponement elected under section 6163(a) and of the period of extension granted under section 6163(b) for payment of the tax, inheritance tax in the amount of \$5,000 was paid to State Y in connection with the remainder interest. As the maximum credit allowable with respect to the remainder interest is \$4,000 and \$2,000 already has been allowed as a credit, an additional \$2,000 will be credited against the Federal estate tax attributable to the remainder interest. It should be noted that if the life estate or other precedent interest had expired after the expiration of the 4-year period but before

July 5, 1958, the same result would be reached only if the inheritance tax had been paid to State Y before the expiration of 60 days after the termination of the life estate or other precedent interest.

Example (3). The facts are the same as in example (2), except that no payment was made to State Y within the 4-year period. The amount of \$7,500 is allowed as a credit against the Federal estate tax attributable to the other property. After termination of the life interest additional credit will be allowed in the amount of \$4,000 against the Federal estate tax attributable to the remainder interest. Since the payment of \$5,000 was made to State Y following the expiration of the 4-year period, no part of the payment may be allowed as a credit against the Federal estate tax attributable to the other property.

[T.D. 6296, 23 FR 4529, June 24, 1958, as amended by T.D. 6526, 26 FR 415, Jan. 19, 1961; T.D. 7296, 38 FR 34194, Dec. 12, 1973]

§ 20.2016-1 Recovery of death taxes claimed as credit.

In accordance with the provisions of section 2016, the executor (or any other person) receiving a refund of any State death taxes or foreign death taxes claimed as a credit under section 2011 or section 2014 shall notify the district director of the refund within 30 days of its receipt. The notice shall contain the following information:

- (a) The name of the decedent;
- (b) The date of the decedent's death;
- (c) The property with respect to which the refund was made;
- (d) The amount of the refund, exclusive of interest;
- (e) The date of the refund; and
- (f) The name and address of the person receiving the refund.

If the refund was in connection with foreign death taxes claimed as a credit under section 2014, the notice shall also contain a statement showing the amount of interest, if any, paid by the foreign country on the refund. Finally, the person filing the notice shall furnish the district director such additional information as he may request. Any Federal estate tax found to be due by reason of the refund is payable by the person or persons receiving it, upon notice and demand, even though the refund is received after the expiration of the period of limitations set forth in section 6501 (see section 6501(c)(5)). If the tax found to be due results from a

refund of foreign death tax claimed as a credit under section 2014, such tax shall not bear interest for any period before the receipt of the refund, except to the extent that interest was paid by the foreign country on the refund.

GROSS ESTATE

§ 20.2031-0 Table of contents.

This section lists the section headings and undesignated center headings that appear in the regulations under section 2031.

- § 20.2031-1 Definition of gross estate; valuation of property.
- § 20.2031-2 Valuation of stocks and bonds.
- § 20.2031-3 Valuation of interests in businesses.
- § 20.2031-4 Valuation of notes.
- § 20.2031-5 Valuation of cash on hand or on deposit.
- § 20.2031-6 Valuation of household and personal effects.
- § 20.2031-7 Valuation of annuities, interests for life or term of years, and remainder or reversionary interests.
- § 20.2031-8 Valuation of certain life insurance and annuity contracts; valuation of shares in an open-end investment company.
- § 20.2031-9 Valuation of other property.

Actuarial Tables Applicable Before May 1,
2009

- § 20.2031-7A Valuation of annuities, interests for life or term of years, and remainder or reversionary interests for estates of decedents for which the valuation date of the gross estate is before May 1, 2009.

[T.D. 9448, 74 FR 21484, May 7, 2009, as amended at T.D. 9540, 76 FR 49612, Aug. 10, 2011]

§ 20.2031-1 Definition of gross estate; valuation of property.

(a) *Definition of gross estate.* Except as otherwise provided in this paragraph the value of the gross estate of a decedent who was a citizen or resident of the United States at the time of his death is the total value of the interests described in sections 2033 through 2044. The gross estate of a decedent who died before October 17, 1962, does not include real property situated outside the United States (as defined in paragraph (b)(1) of § 20.0-1). Except as provided in paragraph (c) of this section (relating to the estates of decedents dying after October 16, 1962, and before July 1, 1964), in the case of a decedent dying

after October 16, 1962, real property situated outside the United States which comes within the scope of sections 2033 through 2044 is included in the gross estate to the same extent as any other property coming within the scope of those sections. In arriving at the value of the gross estate the interests described in sections 2033 through 2044 are valued as described in this section, §§ 20.2031-2 through 20.2031-9 and § 20.2032-1. The contents of sections 2033 through 2044 are, in general, as follows:

(1) Sections 2033 and 2034 are concerned mainly with interests in property passing through the decedent's probate estate. Section 2033 includes in the decedent's gross estate any interest that the decedent had in property at the time of his death. Section 2034 provides that any interest of the decedent's surviving spouse in the decedent's property, such as dower or curtesy, does not prevent the inclusion of such property in the decedent's gross estate.

(2) Sections 2035 through 2038 deal with interests in property transferred by the decedent during his life under such circumstances as to bring the interests within the decedent's gross estate. Section 2035 includes in the decedent's gross estate property transferred in contemplation of death, even though the decedent had not interest in, or control over, the property at the time of his death. Section 2036 provides for the inclusion of transferred property with respect to which the decedent retained the income or the power to designate who shall enjoy the income. Section 2037 includes in the decedent's gross estate certain transfers under which the beneficial enjoyment of the property could be obtained only by surviving the decedent. Section 2038 provides for the inclusion of transferred property if the decedent had at the time of his death the power to change the beneficial enjoyment of the property. It should be noted that there is considerable overlap in the application of sections 2036 through 2038 with respect to reserved powers, so that transferred property may be includible in the decedent's gross estate in varying degrees under more than one of those sections.